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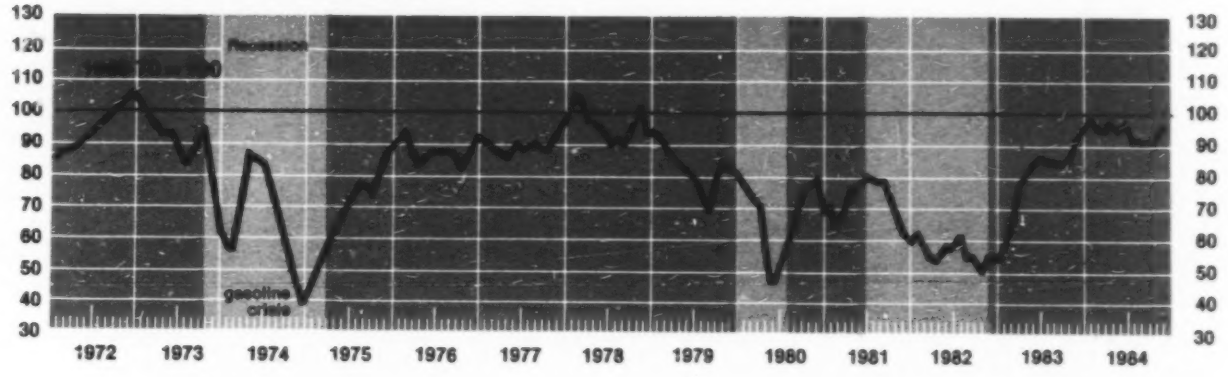
Consumer Attitudes and Buying Plans

A Monthly Report from The Conference Board
Based on a Survey Conducted by NFO Research, Inc.

Consumer Confidence Index

December, 1984



CONSUMERS MORE OPTIMISTIC BUYING PLANS STEADY

As we enter the Christmas season, the consumer continues to be in high spirits. The Board's measure of consumer confidence, which had remained steady and high over the previous four months, chalked up a surprisingly good gain in November. The current Confidence Index (1969-70 = 100) reads 96.1, up five points from a month earlier.

Consumers are more positive in their evaluation of the current employment situation, and also in their assessment of general business conditions. On both issues, favorable survey responses are greater than in any other time during the recent economic recovery.

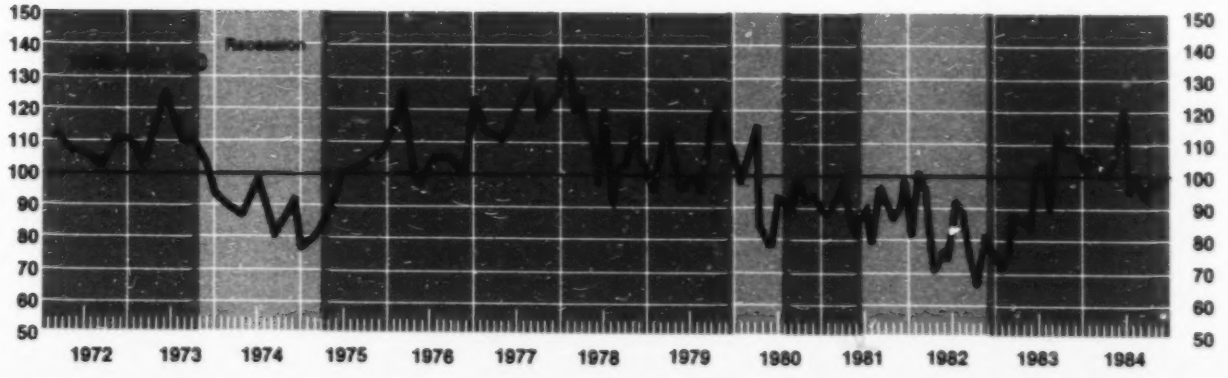
In looking ahead to the next six months, consumers are also more optimistic than they were a month ago. More people than last time now believe that business will improve in the coming months, and more people expect the job situation to improve. There has also been an increase in the number of those who expect their family income to rise in the coming months.

Buying plans are mixed, however. Intentions to purchase an automobile rose during the month to 8.2% of all respondents—up from 7.8 percent. But the proportion of those planning to buy a home has edged off to 2.9% from an earlier 3.3 percent. Plans to secure a major appliance were up to 27.7%, a gain of half a percentage point.

The message from consumers continues to be reassuring. Although some of the statistical indicators suggest that the economic recovery may be tapering off more quickly than was generally anticipated, consumers—the nation's wage earners—are distinctly optimistic in assessing the present, and especially so in anticipating the near future. This is quite encouraging since consumer expectations have proven to be an extremely reliable indicator of things to come. By this measure there appears to be a good deal of vitality left in the current business recovery.

Fabian Linden

Buying Plans Index



All data seasonally adjusted

Consumer Expectations and Intentions

Based on surveys conducted by NFO Research, Inc.
Percentage of all households = 100%

All series seasonally adjusted	1983 Nov.	1983 Dec.	1984 Jan.	1984 Feb.	1984 Mar.	1984 Apr.	1984 May	1984 Jun.	1984 July	1984 Aug.	1984 Sept.	1984 Oct.(r)	1984 Nov(p)
						Composite Series: Index Numbers, 1969-1970 = 100							
Consumer Confidence Index	90.2	95.1	98.4	95.7	94.5	97.9	95.2	97.1	91.0	91.9	91.0	91.5	96.1
Present Situation	51.1	57.9	63.2	67.2	69.0	73.1	75.0	83.0	77.5	78.7	79.8	76.7	80.3
Expectations	116.2	119.9	121.9	114.6	111.5	114.4	108.6	106.5	100.0	100.6	98.4	101.3	106.6
Buying Plans Index	108.9	108.5	101.4	108.0	103.9	99.4	105.1	121.6	94.5	100.6	93.3	98.5	97.7
						Appraisal of Present Situation: Percent							
Business Conditions													
Good	20.2	23.9	24.7	25.5	25.4	26.9	26.6	26.8	27.0	27.6	28.7	26.9	29.2
Bad	27.5	23.9	21.8	23.0	20.4	19.9	19.8	18.2	19.8	19.9	19.0	19.7	20.4
Normal	52.3	52.2	53.5	51.5	54.2	53.2	53.6	55.0	53.2	52.5	52.3	53.4	50.4
Employment													
Jobs plentiful	9.5	9.8	11.4	14.0	13.1	15.3	15.6	19.1	17.3	18.1	17.7	16.9	18.9
Jobs not so plentiful	50.4	51.2	50.4	49.6	51.9	48.9	51.2	50.7	49.9	49.0	49.3	49.9	48.3
Jobs hard to get	39.0	38.2	36.4	35.0	35.8	33.2	30.2	32.8	32.8	32.9	33.0	33.2	32.8
						Expectations for Six Months Hence: Percent							
Business Conditions													
Better	31.2	32.8	33.1	28.7	26.4	27.4	22.3	23.3	22.2	22.8	23.0	24.3	25.9
Worse	6.1	5.2	3.9	5.8	6.1	5.8	6.9	7.6	8.7	9.0	9.5	8.3	8.9
Same	62.7	62.0	63.0	65.5	67.5	66.8	70.8	69.1	69.1	68.2	67.5	67.4	65.2
Employment													
More jobs	25.6	25.9	25.7	21.4	20.6	20.2	17.8	17.1	16.5	16.7	16.2	18.5	19.1
Fewer jobs	11.9	10.6	10.6	11.9	12.1	11.4	12.2	13.3	15.8	15.2	16.0	16.8	13.6
Same	62.5	63.5	63.7	66.7	67.3	68.4	70.0	69.6	67.7	68.1	67.8	64.7	67.3
Income													
Increase	28.3	31.1	32.4	27.3	26.1	30.6	27.6	29.3	29.5	28.2	27.0	29.1	30.0
Decrease	7.8	7.7	7.3	6.3	7.2	6.8	6.2	6.1	7.6	7.5	7.5	8.6	7.0
Same	63.9	61.2	60.3	66.4	66.7	62.6	66.2	64.6	62.9	64.3	65.5	62.3	63.0
						Plans to Buy Within Six Months: Percent							
Automobile													
Yes	9.3	8.7	8.4	8.8	8.8	8.5	8.2	10.0	7.8	8.5	7.0	7.9	8.2
New	5.1	4.9	5.1	4.9	4.7	3.9	4.3	5.1	4.6	4.8	3.6	4.4	4.9
Used	3.4	3.3	2.5	3.4	3.0	3.0	3.2	3.3	2.5	2.8	2.3	2.8	2.4
Uncertain	0.8	0.5	0.8	0.5	1.1	1.6	0.7	1.6	0.7	0.9	1.1	0.7	0.9
Home													
Yes	3.6	3.6	3.4	3.8	3.3	3.1	3.7	3.8	3.0	3.3	3.4	3.3	2.9
New	1.2	1.2	1.0	0.9	0.8	0.9	1.0	1.3	1.0	0.9	1.1	1.1	0.9
Lived in	1.6	1.5	1.4	2.0	1.6	1.4	1.7	1.6	1.3	1.6	1.6	1.4	1.3
Uncertain	0.8	0.9	1.0	0.9	0.9	0.8	1.0	0.9	0.7	0.8	0.7	0.8	0.7
Major appliances													
Total plans	26.5	29.8	26.7	27.3	27.4	26.9	27.1	33.5	25.3	26.5	25.8	27.2	27.7
Refrigerator	3.5	3.7	3.2	3.6	3.6	3.7	3.9	5.0	4.1	4.0	4.1	3.5	4.1
Washing machine	3.6	3.6	3.4	4.0	3.8	3.2	3.6	4.0	2.8	3.4	3.3	3.3	3.5
Black and white TV	0.7	1.2	0.9	0.8	0.9	1.1	0.8	1.3	0.8	0.7	0.7	0.5	0.9
Color TV	7.5	8.2	7.8	7.0	7.5	7.7	7.0	8.4	6.1	7.7	7.0	7.5	7.8
Vacuum Cleaner	4.4	5.2	4.1	4.8	4.1	4.8	4.2	6.0	5.1	4.0	4.1	5.2	4.4
Range	2.4	2.7	2.6	2.6	2.9	2.3	2.4	3.0	2.3	2.6	2.9	2.3	2.8
Clothes dryer	2.7	3.3	2.8	2.9	2.6	2.7	3.2	3.3	2.7	3.0	2.5	3.4	2.9
Air conditioner	1.7	1.9	1.9	1.6	2.0	1.4	2.0	2.5	1.4	1.1	1.2	1.5	1.5
Carpet	8.1	7.4	6.5	7.3	7.2	5.9	6.8	8.5	6.2	6.9	6.3	6.9	7.2
						Vacation Intended Within Six Months: Percent							
Vacation Intended		46.5		45.8		46.9		49.4		49.0		48.5	
Destination													
Home state		10.3		8.8		8.7		9.9		9.5		10.5	
Other state		33.4		32.0		32.8		34.9		33.7		33.6	
Foreign country		6.5		6.2		7.6		6.7		7.5		6.3	
Means of Travel													
Automobile		30.4		29.9		29.8		33.0		31.3		30.3	
Airplane		17.9		15.4		18.6		17.6		17.3		17.3	
Other		3.6		3.5		3.8		3.9		4.6		3.5	

(p)—preliminary (r)—revised

Please Note: In the interest of speeding the data contained in this publication to you, these series are now available on-line through The Conference Board Data Base. For more information, contact Linette Stein Waters at (212) 759-0900.